

By: Turner

H.B. No. 579

A BILL TO BE ENTITLED

AN ACT

relating to notice of certain state agency contract cost that exceeds the amount of the contract.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter F, Chapter 2261, Government Code, is amended by adding Section 2261.2555 to read as follows:

Sec. 2261.2555. NOTICE OF CERTAIN COST THAT EXCEEDS CONTRACT AMOUNT. (a) For each state agency contract to purchase services from a vendor for which the actual cost of the service exceeds the amount contracted for the service by \$1 million or more, the state agency in accordance with procedures established by the comptroller shall provide notice of the excessive cost to:

(1) the governor;

(2) the lieutenant governor;

(3) the speaker of the house of representatives; and

(4) each member of the legislature.

(b) The state agency must provide the notice required under Subsection (a) not later than the 30th day after the date the actual cost exceeds the contract amount by \$1 million. The notice must include:

(1) the amount of the excessive cost;

(2) the reason for the excessive cost;

(3) any opportunity the state agency had to lessen the excessive cost or to purchase the service from another vendor after

1 the excessive cost was disclosed; and

2 (4) any other information the comptroller determines
3 relevant.

4 (c) The comptroller shall establish the procedures for the
5 notice required by Subsection (a).

6 SECTION 2. The changes in law made by this Act apply only to
7 a contract entered into on or after the effective date of this Act.
8 A contract entered into before that date is governed by the law in
9 effect immediately before the effective date of this Act, and the
10 former law is continued in effect for that purpose.

11 SECTION 3. This Act takes effect September 1, 2017.